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SPECIAL EDITION

LAFAYETTE VISTAS

City Council Places Neighborhood Road Repair Bond on November Ballot

On November 2nd, Lafayette voters will have the opportunity to pay for improved neighborhood streets.

A report from the **Capital Projects Assessment Committee** (CPAC) detailing the need to repair Lafayette's residential streets has led the City Council to put Measure N, a **Neighborhood Road Repair Bond Measure**, on the November ballot. *The purpose of this edition of Vistas is to provide you with the facts about this measure.*

Camino Colorados

History

Many of Lafayette's residential streets are 30-40 years old and have not been maintained or reconstructed since they were built.

In 1995, Lafayette residents approved a bond measure that funded 41 projects and focused on repairing major thoroughfares and storm drains.

Lafayette has deferred maintenance on many neighborhood streets, particularly those in the worst condition, because they are the most costly to repair. With limited resources, the City has concentrated its maintenance on the roads used by the most residents. Consequently, the condition of neighborhood roads has steadily deteriorated.

Current Conditions

The City Engineering Department estimates that the current cost to repair, rehabilitate and reconstruct all of the public roads is $42 million.

Over the next 10 years, the City anticipates that it can commit $20 million to road repair; that leaves a $22 million gap (adjusted for inflation to $29 million by 2014).

With an annual General Fund operating budget of $7 million, plus $1 million already dedicated to capital improvements, current revenue sources are insufficient to bridge this gap.

Continuing to defer maintenance will cause the cost of repairing roads to increase in the future, thus widening the financial gap.

Solving the Problem

Presented with this problem, the Capital Projects Funding Committee (CPFC) studied a number of options for raising the necessary funds. These included parcel taxes, assessment districts, utility taxes and a bond measure. The CPFC determined that a bond measure (supported by a property tax based on assessed values) was the most cost effective solution. Furthermore, an opinion poll conducted in 2003 by a professional consultant showed that a majority of respondents preferred a bond measure over other funding alternatives

After months of study, 12 public meetings and on the advice of the CPFC, Lafayette's City Council drafted the Neighborhood Road Repair Bond Measure to raise $29 million for road repairs.

If passed, this bond measure will provide funds for repair work on almost 200 sections of neighborhood roads during the next 10 years. (See project list inside.)

Measure N Ballot Language

"In order to continue the road and drain repair and reconstruction work begun in 1995 on Lafayette's major thoroughfares, and extend work to all of the City's neighborhood streets, shall the City of Lafayette be authorized to incur bonded indebtedness of $29 million, to be repaid through an increase in the property tax?"

Carlyle Terrace

COUNCIL TO HOLD SPECIAL MEETINGS

The City Council will hold five informational meetings regarding this bond measure at neighborhood elementary schools and at the Community Center. Meetings will start at 7:00 pm. School site meetings will be held in the library.

- **September 27 - Burton Valley**
- **September 28 - Happy Valley**
- **September 29 - Lafayette School**
- **September 30 - Springhill**
- **October 4 – Community Center**

Streets To Be Repaired

If a street does not appear on this list, its repair is already funded as part of the 2005 Capital Improvement Program, it has been recently repaired or maintained, or it is a private road.

** Only a portion of the street will be repaired or maintained.*

Almaden Ct
Ameno Ct
Anita Ct
Antonio Ct
Arrowhead Dr*
Aspen Ct
Ava Ct
Avalon Ct
Bacon Ct
Barott Rd
Bavarian Ct
Bavarian Ln*
Beaumont Ct
Black Hawk Ct
Black Hawk Rd*
Blackberry Ct
Boyer Cr
Bradbury Dr*
Brent Ct
Brook St
Brookdale Ct
Buchan (N) Dr

Via Roble

Buchan (S) Dr
Buckeye Ct
Burnt Oak Cr
Burton Ct
Burton Dr
Cambridge Dr
Camino Colorados
Candy Ct
Canyon Rd*
Carlyle Terrace
Carolyn Ct
Castle Ct
Chatton Ct
Chestnut St
Clover Ct
Coralee Ln
Cordova Wy
Crescent Dr
Crest Rd*
Crestmont Dr
Crofton Ct
Dahlia Ct
Dawkins Dr
Del Arroyo Ct
Eagle Point Ct
Eagle Point Rd
East Lowell Ln
East Terrace
Estates Dr
Evelyn Ct
Fallen Leaf Ct
Fiora Pl
Foye Dr
Fredricka Av
Garden Ln
Glenside Cr
Gold Ct
Green Acres Ct
Green Tree Ct
Grondine Rd
Happy Valley Ct
Happy Valley Rd*
Hartwood Ct
Hastings Ct
Herman Dr
Hermosa Ct
Hidden Valley Rd
Highland Ct
Hildago Ct
Hilltop Dr
Hoedel Ct
Huntleigh Dr
Indian Wy*
Ivanhoe Av
Jennie Ct
John Wy
Kelley Ct
Kingsley Pl
Lancaster Dr
Las Huertas Rd
Leland Dr
Leroy Wy
Lincolnshire Ct
Linda Vista Ln
Lindsey Ct
Little Ln
Los Arabis Dr*
Los Palos Cr
Los Palos Dr*
Lucas Dr
Manzana Pl
Marguerite Ct
Mario Wy
Marlene Dr
Mars Ct
Marsha Pl
Maryola Ct
Mc Bride Dr
Mc Ellen Ct
Mc Ellen Wy
Meadowlark Ct
Monroe Av
Moon Ct
Morecroft Rd
Mosswood Dr
Mt Diablo Bl*
Mt Diablo Ct

Solana Drive

Natasha Dr
Nordstrom Ln
Oak Ct
O'Connor Dr
Old Jonas Hill Rd
Old Millstone Ln
Oliver Ct
Palo Alto Dr
Panorama Dr
Paradise Ct
Peacock Bl
Pine Ln*
Plymouth Rd
Powell Dr
Quail Ridge Rd*
Quandt Ct
Quandt Rd*
Rancho View Dr
Read Dr
Redbark Ct
Reliez Station Rd*
Richelle Ct
Robles Ct
Roderick Ct
Rohrer Dr*
Rosedale Ave
Rossi St
Rowe Pl
Rupple Pl
Ruth Ct
San Reliez Ct
Sandalwood Ct
Second St
Sharon Ct
Sierra Vista Wy*
Silver Leaf Ct
Silverado Ct
Silverado Dr*
Solana Ct
Solana Dr*
Somerset Dr
St Francis Ct
St Francis Dr
Stuart St
Sun Ridge Ct
Sunnybrook Dr
Sweet Ct
Sweet Dr*
Sweet Rd
Sweetbrier Cr
Third St
Toledo Dr*
Topper Ct
Topper Ln
Valente Ct
Valente Dr
Vallecito Ct
Via Alta
Via Baja
Via Media
Via Roble*
Victoria Av
Victoria Ct
Walnut Ln
Walnut St
Warner Ct
Warwick Ct
West Lowell Ln
West Terrace
Westminster Pl
Whiteoak Dr
Willoughby Ct
Windsor Ct
Woodside Ct
Woodview Dr

NOTE:
After the publication and delivery of the Vistas it came to our attention that two of the streets listed as “Streets to be Repaired” were actually private streets – Toledo Drive and Kelley Court. Staff has notified the affected residents on those streets.

Sweet Drive

Questions from Residents

The following are actual questions submitted by residents in response to the Summer Vistas questionnaire.

Q: *Why is the City building a new Library/Veterans Building/Baseball Field if we can't pay for the roads?*

A: The money for the Library and Veterans Building projects comes from Redevelopment Agency funds and other sources that are restricted to specific projects, and may not be used for normal maintenance, such as road repair. The Buckeye Fields project was funded largely by a $1 million state grant made exclusively for recreation programs. If passed, the road bond money must be spent only on road repair and may not be used for any other purpose.

Q: *Wasn't the 1995 bond supposed to pay for all this?*

A: The 1995 bond funded 41 specific projects that focused on repairing major thoroughfares and storm drains. All of those projects have now been successfully completed. The 2004 Neighborhood Road Bond will pay for upgrading the residential streets, which were not part of the original 1995 project plan.

Q: *Why was the "assessed value" method of taxation selected? What about a parcel tax or usage assessments?*

A: General Obligation (GO) bonds are usually the least expensive and most efficient way for cities to raise money and Lafayette's excellent credit rating (AA) ensures that the City's interest cost is very low. GO bonds must be secured by property taxes based on assessed values. Financial projections suggest that the average Lafayette homeowner with an assessed value of $428,000, will pay $75 in the first year and $107 in the highest year for the new bonds. As assessed values in the City increase, the tax will steadily decrease each year until the bonds are paid off.

Parcel taxes would increase financing fees and interest costs by about $1 million. Property owners could pay as much as $215 – $315 per year depending on how the tax was structured. Furthermore, large commercial properties may pay significantly less under a parcel tax than a tax based on "assessed value".

Assessment districts tax individuals based on their estimated benefit and are typically used when addressing small improvement areas. There are also additional, ongoing administrative costs associated with creating and administering individual assessment districts.

Finally, a statistically significant opinion poll conducted in 2003 showed that a majority of respondents preferred a tax based on assessed value over the other alternatives.

Q: *Why do I have to pay for so long?*

A: Just like a mortgage, the City uses bonds to borrow money and pay it back over time. A shorter bond would increase the debt service, thus increasing the tax rate. Since the City has roads that need to be totally rebuilt, the life of the bonds – 25 to 30 years – roughly matches the life of the roads.

Q: *Is there a cap on the tax rate?*

A: By law, General Obligation bonds do not allow tax rates to be capped – taxes must be levied at a sufficient rate to service the debt. However, at this time the City does not intend to issue debt if the tax rate for both old and new bonds exceeds $36.50 per $100,000 in assessed value. Tax rates could exceed this amount if aggregate assessed values for the City decrease. Historically, however, assessed values have increased more than 6% each year. Given this pattern, tax rates should steadily decline after the last series of bonds is issued.

Q: *Is the 1995 bond being extended?*

A: No. The 1995 bond will be fully paid off by 2025. In previous issues of *Vistas,* we said that the cost of the new bonds would be supported by extending the tax approved in 1995 ($21 per $100,000) and levying an additional tax of $19 per $100,000 in assessed value – a total of $40 per $100,000. This was intended to give readers an idea of the cost of the new tax in context with what they are already paying. Since publication of the last *Vistas,* the projected cost of the new bonds has been recalculated using the most current assessed values. We now estimate that in the highest year (2015) – the total annual cost of all outstanding bonds will be $36.50 per $100,000.

Q: *Is there a master plan?*

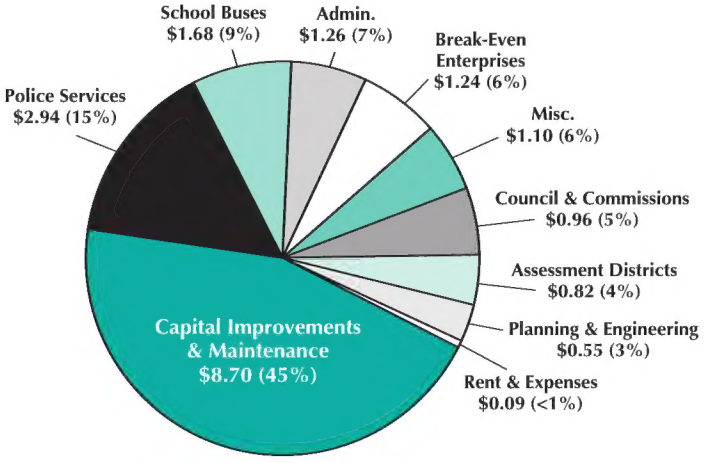
A: The City's comprehensive Pavement Management Program provides detailed information on the status of each road, the improvements that are required, and the estimated cost. This program is updated bi-annually and reviewed by the City Council. Using this plan, the all volunteer Capital Projects Assessment Committee (CPAC) develops successive five-year plans for fixing city streets. If Measure N passes, the overall plan is to upgrade all of the neighborhood streets over the next 10 years with the money from the bond and use Gas Tax and the City's General Fund contributions to maintain them in the future.

Q: *Who funded the roads originally?*

A: The majority of roads in Lafayette were built by developers overseen by Contra Costa County prior to the City's incorporation in 1968. Road improvements since incorporation have been funded by a combination of County transportation funds (Measure C), General Funds, Gas Taxes and the 1995 Road & Drain Bond.

Q: *How is the City's budget spent?*

A: The City's annual budget is divided as follows:



Approved Expenditures 2004/05
(in $ Millions)

Q: *Some roads have been repaired several times and mine is still in terrible condition…why?*

A: As we explained in the Spring 2004 issue of *Vistas*, for every $1 spent to maintain good pavement, it costs $5-$10 to rehabilitate or reconstruct failed pavement. Given the City's limited financial resources and in order to deliver the most benefit to the most people, the City spends virtually all of its capital improvement budget keeping Lafayette's main roads in good shape. If we neglect these streets in favor of streets that are already extremely costly to repair, the newly improved streets will fall back into the more expensive reconstruction category thus perpetuating the problems we currently face.

Q: *Can we do something about Moraga?*

A: Moraga residents, as well as those in neighboring cities, use our streets but there is no practical way for the City to charge them their "fair share" of road repair. Not maintaining a busy thoroughfare like Moraga Road would also adversely impact Lafayette residents. However, Moraga and other neighboring residents do shop and eat in Lafayette, and their contributions to our sales tax revenue help fund a portion of the $1 million the City contributes to the road repair budget each year.

Q: *Could we raise sales tax or parking fees?*

A: Lafayette currently receives only a fraction of the sales tax revenue generated in the City: 1% of the 8.25% which provides about $2.2 million of the City's total annual revenue. Furthermore, state law limits the local option sales tax increment that a city can impose to 0.25%. This amount is insufficient to address the $29 million shortfall.

The City receives $225,000 annually from parking fines and traffic citations, not enough to fund the shortfall.

Q: *Why can't SBC or EBMUD pay for the damage they do?*

A: SBC, EBMUD, and the Central Sanitary District are all responsible for repairing the damage they do to our streets and we hold them to the highest standards allowed by law.

Q: *Why not cut City Staff's pay by 10%?*

A: Lafayette operates with only 36 regular "benefitted" employees with a total payroll of $3.3 million. Salaries are benchmarked bi-annually against similar sized neighboring cities to enable the City to attract quality employees without overpaying. A 10% cut for one year would raise $330,000, or about 1% of the amount needed.

Q: *Why don't we promote more sales tax by getting "big box" businesses into town?*

A: Lafayette is committed to maintaining its semi-rural character and the City's decision-makers have historically determined that the increase in revenue from "big-box" stores would neither justify the impact on existing businesses nor would the environmental impacts be acceptable to residents.

Q: *Will Highway 24 be repaired with this bond money?*

A: Since this is a local bond measure, the money will be used only to fix the public neighborhood streets within Lafayette. CalTrans is responsible for State highway maintenance.

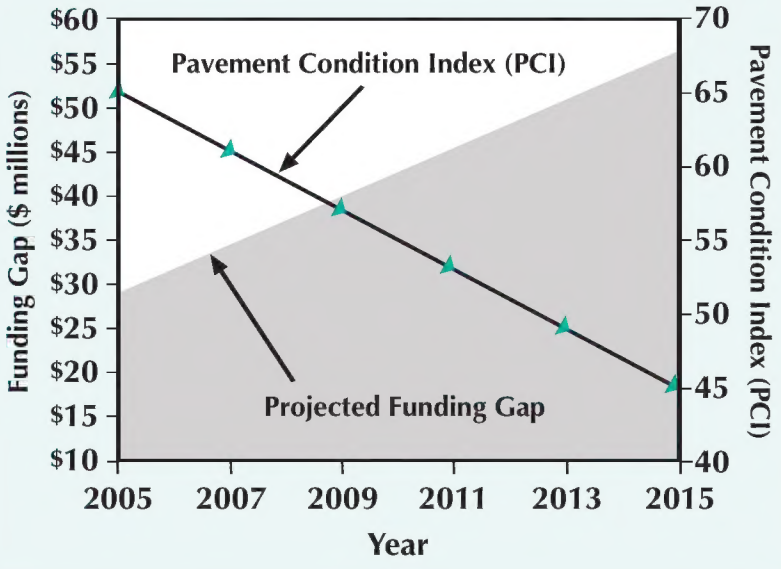
Q: *Will my street be repaired if I vote for this?*

A: There are almost 200 public streets that will be improved as a result of this bond (see the entire list published in this issue of *Vistas*). Private roads will not be repaired under this bond.

Q: *What will happen if this bond does not pass?*

A: The condition of Lafayette's residential streets will continue to deteriorate and the cost to repair them will increase. The funding gap is projected to increase from $29 million to $42 million in 5 years.

Costs Grow as Roads Deteriorate

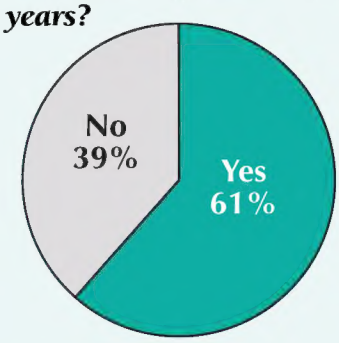


Road Repair Survey Results

These are the results of the Road Repair Survey from the Summer issue of *Vistas*. Residents were asked to comment about their neighborhood roads and whether they would support a bond. 185 surveys were received as of the August 13 publication deadline. All survey results will be posted on the City's Website.

Q: *What is the current condition of the street on which you live?*

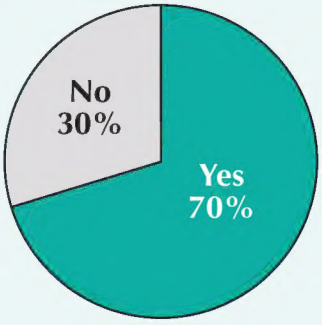
Q: *Are there streets on which you travel that should be repaired within the next two years?*



Streets that need repair within the next two years (Top 10)

1. Camino Colorados
2. Moraga Road
3. Reliez Station Road
4. Glenside Drive
5. St. Mary's Road
6. Sweet Drive
7. Walnut Lane
8. Michael Lane
9. Monroe Avenue
10. Happy Valley Road

Q: *Would you support a neighborhood road & drain tax of up to $39 per $100,000 in assessed value?**



***Note:** Survey results are not statistically significant.

How Much Will It Cost?

At this time the City plans to issue four series of bonds over the next ten years totaling $29 million; each bond will be paid off over 25 years. The cost for these bonds is estimated to start at $17.50 per $100,000 in assessed value in 2006 and increase to a maximum of $25 per $100,000 in 2015 after the last series is issued.

Residents are currently paying $21 per $100,000 for the 1995 Road & Drain bonds, which will be retired in 2025. However, as assessed values increase, the tax will decrease such that **the maximum combined tax for both the old and new bonds is estimated to be $36.50 per $100,000 in 2015.** The tax should then steadily decrease to an estimated annual tax of $10.25 per $100,000 in the final year of 2039.

PROJECTED TAX RATES

(Taxes are per $100,000 in assessed value)

Year	Tax Required for 1995 Bond Debt Service	Tax Required for New Bond Debt Service	Total Estimated Tax Required
2005	$18.97	—	$18.97
2006	18.09	17.50	35.60
2010	15.05	21.30	36.35
2015	11.76	24.67	36.43
2020	9.19	19.18	28.36
2025	7.24	15.07	22.31
2030	—	17.43	17.43
2035	—	13.67	13.67
2039	—	10.12	10.12

**Based on 04/05 assessed values and assuming a 5% annual increase.*

Read Drive

How the Decision was Made: 4 Years of Study

1997
The City adopts its first Five-Year Capital Improvement Program, a master plan for maintaining and repairing the City's public infrastructure. The City also develops a formal **Pavement Management Program (PMP)** to systematically evaluate the condition of all public roads in Lafayette.

2000
The first update to the PMP reveals a $17 million funding gap for road repair, mostly for local neighborhood streets and cul-de-sacs.

2002
The second update to the PMP indicates a widening funding gap: as roads continue to worsen, the gap grows to $23 million. The City Council directs the all-volunteer **Capital Projects Funding Committee (CPFC)** to explore options to pay for repairs on neighborhood roads.

NOVEMBER 2002
At a public meeting, the CPFC suggests that the City Council consider a utility tax, a garbage surcharge, a parcel tax, assessment districts, and a bond measure. The Committee recommends that a professional opinion survey be done.

JUNE 2003
The survey of 404 residents is complete. It indicates that, while there is majority support for a bond measure, the gubernatorial recall clouds its chances of success. The City Council tables the matter until 2004.

SPRING 2004
The third update of the PMP shows that the funding gap is now $29 million. The spring issue of *Vistas*, delivered to every household, describes the scope of the problem.

MAY 2004
The CPFC recommends that a $29 million bond measure be placed on the November ballot. Council discusses the matter at four public meetings. The summer issue of *Vistas*, describing the CPFC recommendation, is prepared for delivery to homes and businesses.

JULY 2004
After months of deliberation, the City Council formally adopts an ordinance placing the $29 million **Neighborhood Road Repair Bond Measure** on the November 2004 ballot.

City Directory

For Council Members call: **284-1968**

Council Members

Erling Horn	**Mayor**
Carl Anduri	**Vice Mayor**
Carol Federighi	**Council Member**
Ivor Samson	**Council Member**
Don Tatzin	**Council Member**

Messages to **all** Council Members:
cityhall@lovelafayette.org

Administration

General Reception and	**284-1968**
Steven Falk, City Manager	**Fax: 284-3169**
Tracy Robinson, Admin. Srv. Dir.	**299-3227**
Gonzalo Silva, Financial Srv. Mgr.	**299-3213**
Joanne Robbins, City Clerk	**299-3210**

Community Development

Ann Merideth, Director	**299-3218**
Tony Coe, Engineering Srv. Mgr.	**284-1951**
Niroop Srivatsa, Planning Srv. Mgr.	**284-1976**
Ron Lefler, Public Works Srv. Mgr.	**299-3214**
P.W. Hotline (to report problems)	**299-3259**

If you observe illegal dumping in creeks & storm drains or accidental spills on roads, call Contra Costa Hazardous Materials Division 646-2286.

Lamorinda School Bus Program

Juliet Shanks, Analyst	**299-3216**
	Or 299-3215

Parks, Trails and Recreation **284-2232**

Jennifer Russell, Director	
Senior Services	**284-5050**
Teen Programs	**284-5815**

Police Services

Emergency: 24 Hours	**911**
Police Dispatch: 24 Hours	**284-5010**
Police Business Office:	**283-3680**

Anonymous Tipline, Traffic Enforcement, Suggestions & LEARN (Laf. Emergency Action Response Network), 299-3232 X 2205

Fax	**284-3169**
Address	**3675 Mt. Diablo Blvd. #210, Lafayette, CA 94549**
Website:	**www.ci.lafayette.ca.us**

E-MAIL: Council/staff members can be reached via e-mail using this address format:
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Example: SFalk@lovelafayette.org

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